

Managing Time and Effort Reporting at a PUI

An Overview

NCURA Region II Spring Meeting

New York, NY, May 1-3, 2011



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What is Time and Effort?

Time and effort reporting is a federally-mandated after the fact reporting requirement for employees with a portion of their time dedicated to federally sponsored projects (grant, contract, cooperative agreement).

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The Importance of Reporting

- Required by the federal government.
- Explained in the [OMB Circular A-21, specifically in section J.10.](#)
- The federal government routinely makes random audits.

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Determining Time and Effort

- Time & Effort (T&E) is the percentage breakdown of a person's involvement on a federal project, separate from their regular work duties.
- Total effort percentage cannot exceed 100%. This includes all projects (Federal and Non-Federal, as well as the individuals daily work responsibilities.

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Purpose

- Charges made to the payroll system must be within reason.
- Differences between the estimate and the actual amount of work must be reported.

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Accuracy

- J.10.b.(1).(c) of OMB A-21: “A precise assessment of factors that contribute to costs is not always feasible, nor is it expected.”
- 5% deviation between budgeted and actual generally tolerated.

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What Effort is Subject to the Reporting Requirement?

- Reporting is not required for certain activities deemed outside of an employees University effort.
- New York University has a very detailed time and effort reporting policy, available at <http://www.nyu.edu/content/dam/nyu/research/documents/OSP/TimeandEffortPolicy.pdf>.

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Activities Included in University Effort

- Externally sponsored research, including seminars, delivering special lectures about the ongoing sponsored program, attending related meetings and conferences.
- Departmental/University research, including uncompensated participation in study sections, peer review of manuscripts, unfunded effort on externally funded projects.
- Instruction/University supported academic effort, including presentations to students, mentoring trainees.

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Activities Included in University Effort (cont.)

- Clinical service effort Special activities for which a bonus or other one-time compensation is paid by NYU.
- Administrative effort, e.g., Department Chair, Institute Director, service on institutional Committees, faculty advisory boards.
- Effort expended on preparing proposals.
- Service in external professional organizations and societies related to one's work which is not compensated by those organizations.

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Activities NOT Included in University Effort

- Consulting and other outside compensated professional work, including service on scientific advisory boards compensated by external organizations.
- Volunteer community or public service.
- Veteran's Administration compensated activities outlined in a Memorandum of Understanding.

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Cost Share

Three Types

- Mandatory – Certain sponsoring agencies, and programs within those agencies, may require the grantee to contribute faculty/ staff salaries towards the project as a condition of the award.
- Voluntary Committed – The PI/PD voluntarily pledges salary/ effort towards the project in the proposal.
- Voluntary Uncommitted – During the project the PI/institution contributes additional salaries towards the project but these costs are not charged to the project. They were not identified in the proposal, therefore, it's considered “uncommitted”.

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Audit Findings

- Federal audits are performed randomly, and review spending, project scope, and Time and Effort .
- Failure to properly report T&E can result in federal sanctions.
- This can have a negative impact on obtaining future funding

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Audit Findings (cont.)

- University of South Florida: Fined \$4 million for inappropriately spending research grant funds after a 4 year investigation.
- New York University: \$15 million for inflated research grant costs.
- Florida International University: \$27 million for effort reporting violations and unallowable charges.

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St. John's Time and Effort Reporting System

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Introduction

- It is the responsibility of Office of Grants and Sponsored Research's to track effort.
- Time and Effort reporting takes place twice every year at St. John's University. (however, this includes Fall, Spring semesters and Summer).

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Identifying Who To Track

- We obtain a payroll report and check the OGSR's awards database for the following:
 - Any employee who is paid with federal funding and/or federal flowthrough.
 - Any in-kind/cost sharing effort by a person on a federal grant (including any faculty receiving salary buyback).
 - Employees who work on non-federal grants, as long as they are involved in at least one federal grant.

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Organizing

- A spreadsheet of all the employees requiring TE reporting, ordered by semester, is created.
- The employee's name, the grant no., and their effort percentage (and additional compensation, if necessary) are all included.

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Effort Certification Forms

- Effort Certification Forms are created for each of these employees.
- EC forms, with a memo providing an overview of the process as well as instructions on how to complete the form are sent out to the employees.
- These forms need to be signed by the employee, then the Project Director, then the Department Chair, and sent back to our office.

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Compiling Records

- The OGSR Director signs them, and sends them to Business Affairs for approval.
- The forms are then sent back to the Grants Office to be kept on file.

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Student Effort

- Project Directors are to certify the effort of students receiving salary or lump sum payments for work on their projects.
- A PD is required to sign a policy acknowledgment form before hiring a student.
- Hourly student workers' efforts are tracked via time sheets.

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Student Effort (cont.)

- The OGSR is responsible for verifying that policy acknowledgement forms are complete.
- The Project Director will review, sign and return the student effort reports at the semester's end.

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Rowan University Effort Reporting

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Rowan University Effort Reporting

- 2004 Rowan University's Board of Trustees approved the Effort Reporting Policy.
- Rowan's Effort Reporting Policy was "borrowed" from the University of Pennsylvania.
- 2011 Rowan revised the Effort Reporting Policy, by "borrowing" Boston College's policy.

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Brief History

- The OSP staff conducted numerous meetings with the faculty and staff in 2004 to explain the necessity of Effort Reporting.
- OMB A-21 was introduced as a federal compliance issue that was required for anyone who was awarded federal funds.
- OSP created a Q&A document on our webpage.
- The faculty “voted” to have the Effort Reports collected after each semesters – spring, summer and fall.

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Rowan's Procedure

- The OSP secretary listed all of the grants and contracts on the Effort Reports for each individual PI.
- The OSP secretary sends and collects the Effort Reports to the PI's.
- If the PI does not respond, the OSP secretary then copies the PI's chair and then dean to obtain the Effort Report.
- The collected Effort Reports are placed in a binder for the auditors to review.

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Mistakes

- OSP initially had the Effort Reports hand delivered to the faculty and then we required them to sign a document verifying receipt of the reports.
- The faculty complained about this procedure so we stopped this method of delivery and utilized emails.

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Professional Help

- In 2006 Rowan hired Chuck Chermside, an experienced consultant on Effort Reporting.
- Chuck spent two days at Rowan meeting faculty and administrators to explain the importance of being in compliance with federal regulation A-21.
- Chuck also shared his annotated A-21 document that's written in English. This document is available on our web page.

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Rowan's Effort Reporting Form

- Rowan's Effort Report form has only two categories that need to be completed – A & B.
- Section A: Research Related to Sponsored Projects (all grants and contracts related effort).
- Section B: Instruction, Scholarly Activity and Administration have been “lumped together.”

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Rowan's Form (cont.)

- PI completion of the form required them to estimate the percentage of effort for each listed grant or contract. Add each estimate for the total of Research Related to Sponsored Projects. (ex. total 30%)
- Simply subtract the Total of Research Related to Sponsored Projects from 100% (ex. $100\% - 30\% = 70\%$) and enter this “lump estimate” into section B., Total Instruction, Scholarly Activity and Administration.
- The Total for A & B would be 100% .
- According to our consultant, Chuck Chermside, the government does not care how much effort the faculty put into teaching, advising, etc, because they are not paying for it!

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Mistakes

- Initially, OSP required the signatures, on the Effort Reports, of the PI, his/her chair and dean. This requirement was discontinued.
- According to our consultant, the PI has the authority to sign every Effort Report, for all of the faculty and staff who work on his/her grants/contracts.
- Students are not required to submit Effort Reports since their timesheets are sufficient evidence of work performed.

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California University of Pennsylvania (Cal U)

Effort Reporting System

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Effort Reporting at Cal U

- Reports certified at end of each semester
 - OGC emails blank form to PIs
 - PIs distribute to project personnel
- Hardcopy returned to OGC within 30 days
 - All sponsored projects listed with percent effort
 - Residual category includes teaching and administrative activities
 - Certified by Employee and PI (or PI's supervisor)
- Filed in Office of Grants & Contracts

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Effort Reporting at Cal U (cont'd)

- OGC checks that all employees submit
 - Lists of faculty on release
 - Lists of faculty and staff who rec'd grant funded compensation (salary or additional stipend)
- OGC reviews effort percentages reported
 - 5% tolerance for budgeted v. actual
 - PI should notify OGC
 - OGC notifies Grants Accounting

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Cal U Potential Changes

- Submit summary report to Grants Accounting
- Documentation for match
- Independent internal evaluations
- Fewer signatures?
- “Incidental work”

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Cal U: Moving Forward

- Discussions in Office of Grants & Contracts
- Discussions with Grants Accounting Staff
- Meeting with Comptroller

- Continue researching policies at other PUIs

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Effort Reporting Survey

NCURA PUI listserv

NCURA Compliance listserv

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Institutions that Responded

- 4 2-yr/tech (3 public; 1 private)
- 45 PUIs (30 public; 14 private; 1 ?)
- 11 Master's Comp. (5 public; 6 private)
- 27 Research (18 public; 9 private)
- 90% of institutions have a policy

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Audience Poll

- Type of Reporting:
 - Activity reports/Plan-con./Multiple-con.
- Method for submission:
 - Paper / E-mail / Software
- Projects reported:
 - All / Federal & State / Only Federal

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Policy Trends

- After-the-fact activity reports: 84%
- Paper-based: 60%
- Report all projects individually: 75%
- Percentages initially derived from payroll: 60%
- Impose faculty consequences: 40%
- Internal evaluations conducted: 67%

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No Trend Determined

- Which department is primarily responsible?
- Degree of tolerance between payroll and actual effort percentages
- How often is effort certified?

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Responsible Department

- Grants Accounting: 44%
- Sponsored Research: 39%

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Degree of Tolerance

- Not specified: 43%
- 5% tolerance: 35%
- Zero tolerance: 18%

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How Often?

- Annually: 9%
- Semi-annually: 17%
- Quarterly: 19%
- Each semester: 35%
- Monthly: 15%
- Each pay period: 5%

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Would you recommend your policy and system?

- No: 71%
- Yes: 29%

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Most User-Recommended

- After-the-fact activity reports: 85%
- Software: 60%
- Report all projects individually: 80%
- Percentages initially derived from payroll: 75%
- Impose faculty consequences: 55%
- Internal evaluations conducted: 72%

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Most Recommended (cont.)

- Responsible Department – clearer trend
 - Grants Accounting: 63%
 - Sponsored Research: 21%
- Degree of tolerance – clearer trend
 - Not specified: 26%
 - 5% tolerance: 47%
 - Zero tolerance: 21%

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Most Recommended (cont.)

- How Often? – still no trend
 - Annually: 20%
 - Semi-annually: 15%
 - Quarterly: 20%
 - Each semester: 20%
 - Monthly: 15%
 - Each pay period: 10%

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PUIs less likely to...

- Impose consequences on faculty
 - PUIs: 33% Others: 45%
- Conduct independent internal evaluations
 - PUIs: 61% Others: 71%

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PUIs more likely to...

- Allow additional compensation from grants
 - PUIs: 62% Others: 45%
- Utilize paper-based reports
 - Paper-based
 - PUIs: 79% Others: 41%
 - Software
 - PUIs: 12% Others: 43%

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Software Companies For Effort Reporting

Company

Features & Facts

- ITWORKS
 - \$30,000 Initial payment
 - \$25 per person after first payment
 - Maintenance fee 20% of purchase price
 - Effort Reporting division two years old
 - Training Web based
 - Service 10 entities, Universities Research Institutions and hospitals.

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Software Companies (cont.)

Company

Features & Facts

- BANNER

- Baseline Banner (Finance, HR, Financial Aid, Student) Modules \$3.5 million
- Effort Reporting “milestone payment” \$262,856
- SunGard Consulting and training \$250 per hours, plus expenses
- Banner services 1,600 institutions in 40 countries.

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Software Companies (cont.)

Company

Features & Facts

- InFoEd SPIN
 - \$151,000 Initial price
 - \$34,200 annual maintenance
 - Web Based and online training provided
 - **The Effort Reporting Module of InFoEd has recently been purchased by MAXIMUS**

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Software Companies (cont.)

Company

Features & Facts

- MAXIMUS

- Price is based on size and complexity of the institution.
- Provides both license and hosting (SaaS – Software as a Service option)
- Certify Effort within four (4) click of the mouse. Drill down capabilities.
- Alerts and Notification
- Capture and document Cost Sharing
- Service 24 clients for Higher Education and Not-for-Profit Institutions

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Thank you for your time!

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